

incur the 2008 annual renewal fee. In effect, assessing the 2008 annual renewal fee would penalize those members that complied with the Exchange's registration requirements more timely. The Exchange therefore believes it is appropriate to waive the 2008 annual renewal fee for all members.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>8</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(2)<sup>10</sup> thereunder because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-ISE-2008-04 on the subject line.

### *Paper Comments*

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-ISE-2008-04. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ISE-2008-04 and should be submitted on or before February 12, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E8-1011 Filed 1-22-08; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57156; File No. SR-NYSE-2007-120]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NYSE Rules 13, 60, and 1000 To Allow for the Automatic Execution of G-Quotes in the Display Book**

January 15, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 24, 2007, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the NYSE. The proposed rule change has been filed by the NYSE as effecting a change in an existing order-entry or trading system pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(5) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The NYSE proposes to amend NYSE Rules 13 and 1000 to allow for the automatic execution of G-Quotes in the Display Book® (the "Display Book"). The Exchange is also seeking to make conforming changes to NYSE Rule 60. The text of the proposed rule change is available on the Exchange's Web site (<http://www.nyse.com>), at the Exchange, and at the Commission's Public Reference Room.

### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the NYSE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NYSE has

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(4).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(5).

prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to amend NYSE Rules 1000 and 13 to allow for the automatic execution of G-Quotes in the Display Book.<sup>5</sup> The Exchange is also seeking to make conforming changes to NYSE Rule 60.

**Background**

An automatically executable ("auto-ex") order is an order in a security, other than a bond traded in NYSE Bonds, that initiates an automatic execution in accordance with and to the extent provided by NYSE Rule 1000, immediately upon entry into Exchange systems. Currently, NYSE Rule 13 lists the categories of auto-ex orders and NYSE Rule 1000 permits automatic execution of orders reflected in the Exchange published quotation, orders on the Book, Floor broker agency file interest ("e-Quotes"), specialist interest ("s-Quotes"), and CAP-DI orders. The current rule does not include G-Quotes as an order type eligible order for automatic execution.

Section 11(a)(1) of the Act<sup>6</sup> generally prohibits a member of a national securities exchange from effecting transactions on that exchange for its own account, the account of an associated person, or any account over which it or an associated person exercises discretion. Subsection (G) of Section 11(a)(1) provides an exemption allowing an exchange member to have its own floor broker execute a proprietary transaction ("G order"). A G-Quote is an electronic method for Floor brokers to represent G orders. G orders on NYSE yield priority, parity and precedence based on size to all other non-G orders.

In current market conditions, if a G-Quote hits the Display Book as a marketable order, it is not eligible for automatic execution. In order to execute a marketable G-Quote once it is received in the Display Book, the Display Book

in that security is converted to a slow market to allow for manual execution of the G-Quote. In other words, the receipt of a marketable G-Quote suspends auto-execution of the Display Book until it is manually traded out of the Display Book. In order to reduce the amount of times that the Exchange must set their markets slow, the Exchange is seeking this rule change to add G-Quotes as an order eligible for automatic execution in order to maintain optimum market conditions and prevent further temporary disruptions in the flow of the market by having it go "slow" when a marketable G-Quote hits the Book. Accordingly, the Exchange seeks to amend NYSE Rule 1000 and NYSE Rule 13 to add G-Quotes as automatically executable orders. Aside from now being automatically executed, G-Quotes will be executed in the same manner as they are today, *i.e.*, they still must yield priority, parity and precedence to all other non-G orders.

The Exchange also seeks to amend NYSE Rule 1000 to make G-Quotes eligible for sweeps following existing rules for sweeps. Specifically, during a sweep, the unfilled balance ("residual") of an automatically executing order that is not filled in its entirety due to the volume available in the Exchange best bid and offer, may trade with broker proprietary interest files on the Book capable of execution in accordance with Exchange Rules, at each successive price lower than the displayed bid (in the case of a sweeping sell order) or higher than the displayed offer (in the case of a sweeping buy order) as long as the sweep continues.

The Exchange further seeks to make conforming changes to NYSE Rule 60 to provide that the Exchange will autoquote the NYSE's highest bid or lowest offer to reflect G-Quotes. The Exchange notes that in all situations discussed above, the G-Quote will trade as the last interest at a price point, yielding priority, parity and precedence to all other non-G orders.<sup>7</sup>

2. Statutory Basis

The Exchange believes that the basis under the Act is the requirement under Section 6(b)(5) that an exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the

mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

*B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

The Exchange has neither solicited nor received written comments on the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change effects a change in an existing order entry or trading system that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not have the effect of limiting access to or availability of the system, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and Rule 19b-4(f)(5) thereunder.<sup>9</sup>

At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2007-120 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Nancy M. Morris, Secretary,

<sup>5</sup> The Display Book® system is an order management and execution facility. The Display Book system receives and displays orders to the specialists, contains the Book, and provides a mechanism to execute and report transactions and publish the results to the Consolidated Tape. The Display Book system is connected to a number of other Exchange systems for the purposes of comparison, surveillance, and reporting information to customers and other market data and national market systems.

<sup>6</sup> 15 U.S.C. 78k(a)(1).

<sup>7</sup> Telephone conference among Daniel Labovitz, Managing Director, NYSE Regulation, Inc.; Deanna G. W. Logan, Associate General Counsel, NYSE; Jennifer D. Kim, Counsel, NYSE; Richard Holley, Senior Special Counsel, Division of Trading and Markets ("Division"), Commission; Nathan Saunders, Special Counsel, Division, Commission; and Jan Woo, Special Counsel, Division, Commission, on January 10, 2008.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 19b-4(f)(5).

Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2007-120. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the NYSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2007-120 and should be submitted on or before February 13, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57155; File No. SR-Phlx-2008-02]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change To Amend By-Law Article XIV, Section 14-5 and Phlx Rule 50

January 15, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934

(“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 8, 2008, the Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to: (i) Modify the timeframes within which monies owed to the Exchange would become reportable to the Board of Governors (“Board”) for further action; (ii) eliminate references to the monetary threshold of \$10,000; (iii) conform By-Law language to indicate that Members, Member Organizations, participants, and participant organizations would be subject to being terminated for failure to pay; and (iv) make other clarifying amendments. The text of the proposed rule change is available at Phlx, the Commission's Public Reference Room, and <http://www.phlx.com>.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Phlx included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Phlx has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of the proposed rule change is to amend the language in Phlx By-Law Article XIV, section 14-5 and Exchange Rule 50 to bolster the Exchange's procedures regarding collection of monies owed to the Exchange.

The proposed rule change modifies the timeframes within which monies owed to the Exchange would become reportable to the Board, and by which

Members, Member Organizations, participants, and participant organizations would be subject to a suspension or termination. The proposed rule change also defines the types of fees subject to each timeframe. Specifically, the previous time limitations of 50 days from the original invoice for certain monies and 20 days for other categories of monies would be removed from By-Law Article XIV, Section 14-5 and the time limitations in Exchange Rule 50 would be amended. The 50 day timeframe applied to dues, foreign currency options users' fees, fees, other charges and other monies due and owed to the Exchange. The 20 day timeframe applied to fines and other monetary sanctions.

Under this proposal, a Member, or Member Organization, participant, or participant organization or employee thereof shall be referred to the Board for failure to: (i) Pay fines and/or other monetary sanctions within 30 days after notice thereof; or (ii) pay dues, foreign currency options users' fees, fees, other charges, and/or other monies due, including late charges, within 90 days from the date of the original invoice. These timeframes would be amended in Rule 50 and deleted from By-Law Article XIV, section 14-5, rather than appear in both Rule 50 and By-Law Article XIV, section 14-5. The purpose of amending these timeframes is to conform to the Exchange's current accounting and billing cycles and to allow a reasonable time for payment of invoices prior to the necessity to report a past due amount to the Board for further action.

In addition, this proposed rule change would eliminate the references to the monetary threshold of \$10,000 from both By-Law Article XIV, section 14-5 and Rule 50, so that all past due amounts are reportable to the Board within the specified proposed new timeframes. The requirement to report to the Finance Committee is proposed to be eliminated from Rule 50. Both of these changes are intended to direct collection matters to the Board directly and without regard to the amount, in order to enhance the immediacy of the Exchange's collection efforts.

The word “terminate” is proposed to be added to By-Law Article XIV, section 14-5 to conform with the termination language in By-Law Article XIV, section 14-1. By-Law Article XIV, section 14-1 currently provides that the Board shall have the power to establish and assess penalties and late charges for failure to pay any fees, dues, or charges owed to the Exchange, including, without limitation, termination of a permit or participation (which permit or

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>10</sup> 17 CFR 200.30-3(a)(12).